**ORIGINAL** 

PARTE OR LATE FILED

West

Office of the Company Compa

R. Steven Davis Senior Vice President Government Affairs

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February 17, 2000

#### BY HAND DELIVERY

Ms. Magalie R. Salas Secretary Federal Communications Commission The Portals 445 Twelfth Street, S.W. Washington, D.C. 20554

Re: Applications for Transfer of Control of Qwest

Communications International Inc. and U S West, Inc.,

CC Docket No. 99-272

Dear Ms. Salas:

As an attachment to an ex parte notice filed by the undersigned earlier today on behalf of Qwest Communications International, Inc. ("Qwest"), there were copies of three affidavits from employees of Qwest. Attached to this letter are the originals of those affidavits.

Please call the undersigned if you have any questions.

Respectfully submitted,

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R. Steven Davis

Enclosures

No. of Copies rec'd State BCDE

## AFFIDAVIT OF JAMES SHEARBURN

### QWEST COMMUNICATIONS CORP.

- 1. I am regional Vice President for Wholesale Services for the Central Region for Qwest Communications Corp., with my base of operations in St.

  Louis. I supervise a staff of seven wholesale sales representatives who market Qwest's wholesale products and services to long distance carriers, resellers, incumbent and competitive local exchange carriers, and Internet service providers within a 15-state region. I have no responsibility for Qwest's divestiture of its interLATA business in the U S WEST region, nor do I have any knowledge of those plans or of Qwest's proposed relationship with any potential or actual buyer.
- 2. I have reviewed the February 10, 2000, affidavit of Scott F. Cate, Group Vice President of McLeodUSA, filed in the FCC Qwest/U S WEST merger proceeding on February 14, 2000.
- 3. McMcLeod USA is a carrier customer of Qwest's, and part of my responsibility is managing that customer account.
- 4. On Wednesday, February 9, 2000, I had an informal telephone conversation with Mr. Cate in which we discussed a number of subjects.

  As part of that conversation, Mr. Cate informed me of McLeod's potential interest in purchasing the to-be-divested interLATA business of Qwest in the U S WEST region

- 5. In that telephone conversation, I made it clear to Mr. Cate that any comments I could make on the subject of the Qwest/U S WEST merger and the divestiture of Qwest's in-region business would be wholly speculative. I had never suggested to Mr. Cate that I had any responsibility for or personal knowledge of the divestiture process.
- 6. I do not recall the precise words used in the conversation with Mr. Cate, which covered many topics. Any suggestion I may have made to Mr. Cate that Qwest would seek to "buy back" the divested assets or business sold to the buyer would have been entirely speculative on my part, and made without any knowledge of how Qwest actually was planning to structure the transaction with the buyer. I understood Mr. Cate to be aware of this fact at the time of our discussion.
- 7. This concludes my affidavit.

James Shearburn

State of Missouri St. Louis County

On this day of February in the year 2000, before me, Cameron B. Nolan, a Notary Public in and for said state, personally appeared Tames P. Shearburn (Deshe/they) known to me (or provided to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to this instrument, and acknowledged that (ne/she/they) executed it.

WITNESS my hand and official seal.

Notary Public

My commission expires May 11, 2003.

CAMERON B. NOLAN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County

My Commission Expires: May 11, 2003

# AFFIDAVIT OF GREG CASEY

#### QWEST COMMUNICATIONS CORP.

- I am Senior Vice President, Wholesale Markets, of Qwest Communications
   Corp. I am an officer of Qwest, and responsible for Qwest sales to the carrier market.
- I have reviewed the affidavit of Blake Fisher, Group Vice President of McLeodUSA, dated February 14, 2000 (and provided to the FCC on that date) concerning a telephone conversation that I had with Mr. Fisher on February 9, 2000. Also participating in that call were Marc Weisberg, Senior Vice President, Corporate Development, of Qwest and Scott Cate of McLeodUSA.
- 3. I do not recall making the specific statements quoted by Mr. Fisher. In any event, however, the statements do not correctly reflect the full context of the conversation.
- 4. The purpose of the call was to discuss whether it made sense for Qwest to devote further senior resources to negotiations with McLeodUSA regarding the sale of the interLATA business that Qwest is divesting in connection with its merger with U S WEST. While I have not been substantially involved in

the process of selling the business, I am generally aware of the work with potential buyers that has been under way over the past two months, as well as the fact that final bids were due within a few days of our call with Mr. Fisher.

- I recall stating to Mr. Fisher that Qwest was prepared to negotiate with McLeodUSA if the company was prepared to stop opposing our merger with U S WEST. I stated that McLeodUSA's complaints regarding U S WEST actions could be addressed in other proceedings, such as through complaints filed with regulators, and that McLeod did not need to oppose or seek delay in the merger to pursue such claims.
- I do not recall talking about selling the business to a "friendly" party, but I certainly made clear that it was not reasonable to expect Qwest to try to contract with a party that was hostile to the U S WEST merger. Divestiture is a complicated process that Qwest is pursuing under an aggressive time schedule. We need to work with a party who is equally committed to completing that process, not one with a conflict of interest because it is opposing and trying to delay the merger. Any statements I made concerning the impact of McLeod's opposition to the merger were made in that context.

- 7. I made no statement that Qwest would require the buyer to enter into an arrangement to purchase billing or any other services from Qwest, and do not know why Mr. Fisher believes that I was "implying" this position. I did discuss the need to work with the ultimate buyer to provide service continuity to customers (including customers to whom Qwest would continue to market outside the U S WEST region and that buyer might secure within the region) and stated that such arrangements would need to be the subject of ongoing negotiations with potential buyers.
- 8. Mr. Fisher is correct that I stated that McLeod could be considered to buy the divested business if it was prepared to stop opposing the merger in regulatory proceedings and instead work with us to accomplish a divestiture that moved promptly and smoothly. Mr. Fisher or Mr. Cate stated that this position was reasonable, but added a caveat to the effect that he could not control his regulatory people.
- 9. In these circumstances, Qwest decided that it did not make sense to devote additional resources to negotiations with McLeod concerning this matter.
- 10. I have also reviewed the February 10, 2000, affidavit of Mr. Scott Cate of McLeodUSA, which was also filed with the FCC, regarding the alleged statements of Mr. James Shearburn regarding the divestiture process. Mr.

Shearburn is a regional vice president in the Qwest Wholesale Markets Group, with responsibility for selling wholesale Qwest services to carrier and ISP customers in the Central Region. Mr. Shearburn has had no responsibility for or involvement in any aspect of the divestiture process. The statements attributed to him regarding divestiture, if made, do not conform to Qwest's divestiture plans.

#### This concludes my affidavit. 11.

**Greg Casey** 

Subscribed and sworn before me this 16 th day of February, 2000.

February 16, 2000

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### AFFIDAVIT OF MARC B. WEISBERG

#### QWEST COMMUNICATIONS CORP.

- I am Senior Vice President, Corporate Development, for Qwest

  Communications Corp. One of my responsibilities is to manage the sale of

  Qwest's in-region interLATA telecommunications prior to or as of the closing

  of our merger with U S WEST.
- I have reviewed the February 14, 2000, affidavit of Blake Fisher, Group Vice President of McLeodUSA (provided to the FCC on the same date) concerning a telephone conversation I had on February 9 with him, Greg Casey of Qwest and Scott Cate of McLeod. I have also reviewed Mr. Casey's attached affidavit concerning that conversation.
- 3. While I do not recall the precise words used in the conversation, Mr. Casey correctly states the substance and context of our discussion. Qwest advised McLeod's representatives that we were willing to negotiate with them as a potential purchaser of the interLATA business we are required to divest. However, we stated that it was not reasonable for us to do so while McLeod simultaneously was taking positions in regulatory proceedings that sought the delay or denial of the merger with U S WEST that required the

divestiture. We suggested that they either pursue their complaints in other appropriate regulatory proceedings or address them at the business level.

- 4. I recall that Mr. Fisher or Mr. Cate stated that this was a reasonable business position. However, they also stated that they would have to raise this matter with their regulatory staff and did not think those persons would acquiesce. In these circumstances it did not make sense to me to continue negotiations.
- James Shearburn. Until yesterday I had never heard of Mr. Shearburn, who I now understand works in our Wholesale Markets group. Mr. Shearburn has no responsibility whatsoever for the divestiture process, and has not been involved in the process. Any statements he may have made would be unauthorized and uninformed.
- In particular, if Mr. Shearburn made the statement attributed to him regarding Qwest selling the divested business to a "friend" so that Qwest could buy the business back, that statement is completely false. Qwest has stated that it will be selling the business outright, with no right or understanding to reacquire the business whatsoever. That remains the basis of our negotiations with prospective buyers.

- 7. To the extent McLeodUSA is suggesting that Qwest will not consider selling the divested business to a competitor in the U S WEST region, this is not correct.

  While I do not want to make public comments in this regard, Qwest has been and is negotiating with such companies.
- 8. This concludes my affidavit.

Mare Brusen

Marc B. Weisberg

Subscribed and sworn before me this

16 th day of February, 2000.

February 16, 2000

DAPHNE F. BERLIN
NOTARY PUBLIC, State of New York
No. 41-5010218
Qualified in Queens County
Commission Expires March 29, 15 2001

Naphne 7. Berlin